



September 10, 2014

Item No. 5

**AUTHORIZATION FOR THE CHA TO AWARD CONTRACTS FOR AND ALL-RISK PROPERTY, EXCESS LIABILITY, AUTO LIABILITY, GENERAL LIABILITY, PUBLIC OFFICIALS LIABILITY, EMPLOYED LAWYERS ERRORS & OMISSIONS, FIDUCIARY LIABILITY, CRIME AND EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE**

To the Honorable Board of Commissioners:

**RECOMMENDATION**

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to purchase the following insurance coverage for the CHA for the period of October 1, 2014 through September 30, 2015, for an aggregate amount not-to-exceed \$1,211,162 through its insurance broker of record, AON Risk Services Central, Inc. ("AON"): (1) All-Risk Property written through Lexington, in the amount not-to-exceed \$873,262; (2) Excess Liability coverage written through Allied World Assurance Company (AWAC) in an amount not-to-exceed \$53,087; (3) Auto Liability written through Housing Authority Insurance Group (HAIG) in an amount not-to-exceed \$39,670; (4) General Liability coverages written through RSUI in an amount not-to-exceed \$31,422; (5) Public Officials E&O written through Ironshore for \$103,600 and Ace for \$57,191 in an aggregate amount not-to-exceed \$160,791; (6) Fiduciary written through National Union in an amount not to exceed \$15,779; (7) Employed Lawyers Errors and Omissions Liability written through Chartis / Illinois National in an amount not-to-exceed \$13,754; (8) Crime written through Berkley Regional in an amount not-to exceed \$9,015; and (9) Employment Practices Liability written through Chartis / National Union in an amount not-to-exceed \$14,382.

The Executive Vice President (EVP) of Finance, the Office of the General Counsel and the Office of Procurement have completed all necessary due diligence to support the submission of this procurement and recommend the approval of this item accordingly.

**CORPORATE GOAL**

The CHA must protect its assets by annually evaluating its insurance needs and procuring appropriate insurance coverage to protect its assets, financial interests and make it more fiscally sound.

**FUNDING:** General Fund

## **SOLICITATION SUMMARY**

**Vendors:** Lexington, AWAC, HAIG, RSUI, Ironshore, Ace, National Union, Illinois National; via Aon Risk Services Central, Inc.  
200 East Randolph Street  
Chicago, IL 60601

**Contract Type:** Insurance Coverages  
**Contract Amount:** \$1,211,162  
**Contract Period:** October 1, 2014 – September 30, 2015  
**M/W/DBE Participation:** NA - See attached waiver  
**Section 3:** NA - Considered Supply & Delivery

## **GENERAL BACKGROUND**

Aon directly and indirectly (through one wholesaler) solicited requests for insurance premium quotes from 28 carriers (most with the ability to quote multiple lines of coverage) on July 1, 2014. This year, Aon received quotes from several new carriers that were more competitive than incumbent carriers. After reviewing the responses, AON and CHA's Risk Management Department recommend that the above mentioned insurers provide the required insurance coverage for CHA for the Period October 1, 2014 through September 30, 2015.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and applicable federal (HUD) procurement laws.

The EVP of Finance concurs with the recommendation to purchase insurance coverage through its Broker of Record with the same policy limits and retention levels for all lines as in the prior year's program.

The CEO/President recommends the approval to execute contracts for insurance coverage for the CHA, for the period of October 1, 2014 through September 30, 2015, for an aggregate amount not-to-exceed \$1,211,162 through its insurance broker of record, AON Risk Services Central, Inc.

**RESOLUTION NO. 2014-CHA-94**

**WHEREAS**, The Board of Commissioners has reviewed the memorandum dated September 11, 2013 entitled “**AUTHORIZATION FOR THE CHA TO AWARD CONTRACTS FOR ALL-RISK PROPERTY, EXCESS LIABILITY, AUTO LIABILITY, GENERAL LIABILITY, PUBLIC OFFICIALS LIABILITY, FIDUCIARY LIABILITY, EMPLOYED LAWYERS ERRORS & OMISSIONS, CRIME AND EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE**”;

**THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY**

**THAT** It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to purchase the following insurance coverage for the CHA for the period of October 1, 2014 through September 30, 2015, for an aggregate amount not-to-exceed \$1,211,162 through its insurance broker of record, AON Risk Services Central, Inc. (“AON”): (1) All-Risk Property written through Lexington, in the amount not-to-exceed \$873,262; (2) Excess Liability coverage written through Allied World Assurance Company (AWAC) in an amount not-to-exceed \$53,087; (3) Auto Liability written through Housing Authority Insurance Group (HAIG) in an amount not-to-exceed \$39,670; (4) General Liability coverages written through RSUI in an amount not-to-exceed \$31,422; (5) Public Officials E&O written through Ironshore for \$103,600 and Ace for \$57,191 in an aggregate amount not-to-exceed \$160,791; (6) Fiduciary written through National Union in an amount not to exceed \$15,779; (7) Employed Lawyers Errors and Omissions Liability written through Chartis / Illinois National in an amount not-to-exceed \$13,754; (8) Crime written through Berkley Regional in an amount not-to-exceed \$9,015; and (9) Employment Practices Liability written through Chartis / National Union in an amount not-to-exceed \$14,382.



Chicago Housing Authority  
60 E. Van Buren  
Chicago, IL 60605

312-742-8500

[www.thecha.org](http://www.thecha.org)